



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Moab District  
San Juan Resource Area  
P.O. Box 7  
Monticello, UT 84535



IN REPLY REFER TO:

SJ-81-1P  
(UT-069)  
DEC 22 1994

*M/037/040*

Mr. Max T. Evans  
U.S. Energy Corp.  
877 North 8th West  
Riverton, Wyoming 82501

Dear Mr. Evans:

Thank you for your letter dated October 11, 1994 notifying us of U.S. Energy Corp's acquisition of the Velvet Mine from Umetco Minerals Corporation.

The State of Utah, Division of Oil, Gas and Mining has informed us that U.S. Energy Corp has provided an adequate replacement surety and the Division has approved the transfer of the Velvet Mine. The Division will forward the BLM copies of all applicable bonding instruments and transfer documents. This will satisfy the Bureau's bonding requirements.

Since U.S. Energy Corp has agreed to assume all outstanding responsibilities under the current Plan of Operations for the Velvet Mine (SJ-81-1P), no additional information is required. Therefore, I hereby approve the transfer of the subject Plan of Operations from Umetco Minerals Corporation to U.S. Energy Corp.

Please notify us of any change in the current status of the Velvet Mine. If you have questions please contact Ted McDougall of my staff at (801) 587-2141.

Sincerely,

*Sherwin N. Andrews*

ACTING Area Manager

cc: Mr. M.G. Derrick  
Umetco Minerals Corporation  
P.O. Box 1029  
Grand Jct., CO 81502

Department of Natural Resources  
Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

